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14 February 1966

Briefly Noted ✓

Reason
or
Repression?

Although Stalinism never died in the USSR, Stalin as a person had been so smothered by condemnations that he became virtually invisible on the landscape of official Soviet society. Recent developments in the USSR, however, indicate that even Stalin might be rehabilitated, if only part-way.

Primary evidence is the plan to make available, for the first time since 1956, two of Stalin's books: "Marxism and the Nationalities Question" (pre-1917) and "Problems of Leninism" (early 1920's).

Increasingly frequent references to Stalin have been made by Soviet political leaders and in the press. It is rumored that the memorial to Stalin in his birthplace of Gori will be reopened. As a means of solving the cultural crisis (see guidance #985 in this issue) Stalinist-like measures have been used. Furthermore, the country's youth have been scored for indifference to the Stalinist period's achievements (industrialization, victory in WW II).

Some have suggested that a "balanced view" of Stalin is being restored -- i.e., accent the positive and forget the negative. If so, there would be relatively little cause for concern -- except that this chapter in history should not be forgotten, in the hope it will prevent recurrence.

But if, as seems equally likely, the present leaders should seek Stalinist solutions to their vexing economic, cultural and international problems (or yield to die-hard Stalinist pressures at home or abroad), then this possibility should be widely considered and attention should be directed to the disgust of the whole world with the documented misdeeds of the demonstrably unbalanced Stalin.

* * *

Soviet
Resolution
Boomerangs UN Resolution Scores
Infiltration and Sub-
version

Soviet delegates have for a long time been attempting to maneuver a resolution into the UN which would be used in propaganda to charge the US and other "imperialist powers" with illegal intervention in the internal affairs of other nations. They introduced a resolution in the 20th Session of the General Assembly -- "Declaration on the Inadmissibility of Intervention in the Domestic Affairs of States..." However, substantial statements listing communist type subversive-aggression were added by other delegations, the Soviets were placed in a position where they could not refuse to vote, and the resolution was passed.

US Representative Charles Yost praised the resolution for having spoken out "clearly and explicitly" against new forms of intervention that have plagued the world in recent

years. In the second point in the "declares" section, the UN Resolution says:

"... no State shall organize, assist, foment, finance, incite or tolerate subversive, terrorist or armed activities directed towards the violent overthrow of the regime of another State, or interfere in civil strife in another State."

Many sections in the resolution pertain to activities being carried on by non-communist countries (e.g., in Africa) as well as by communist nations. Assets should refer to, and quote from, this resolution whenever appropriate in the context of attacking external subversion, unlawful pressures etc. against a friendly country. [See attachment for text.]

* * *

Kid-napping Pays Communist Fund Raising Techniques: Bartering People for Goods

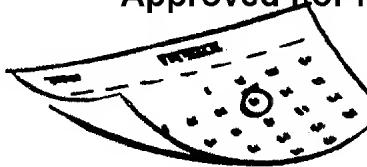
With their cynical contempt for human lives and for basic moral values, Communist parties and governments do not hesitate to use criminal techniques to raise needed money. Joseph Stalin robbed banks in the early days before he learned the ins and outs of reneging on government savings bonds. Kidnapping

has frequently proved a handy way for Communists to turn a fast buck. In recent months Guatemalan Communists have taken in an estimated \$300,000 in ransom for businessmen seized by terrorist sections of the party. There would have been more but sloppy modus operandi resulted in the death of one intended hostage and another was wounded during the attempted abduction, resulting in his permanent paralysis from the neck down.

Fidel Castro developed the ransom tactic on a large scale when he found he could trade off his prisoners captured in the abortive Bay of Pigs invasion for \$53 million worth of food, drugs, and medical supplies.

Walter Ulbricht has eagerly learned from Castro's cynical sales technique and is putting it to good use. For a price -- reputed to be more than \$24 million worth of consumer goods -- he is kindly releasing some 2600 prisoners held in East German jails. They were mostly persons caught trying to escape, or helping others to escape, the Communist paradise. For a further consideration he apparently will also be willing to release more than 2000 children presently detained in East Germany, even though their parents live in West Germany. (See unclassified attachment: New York Times article of 1 February 1966.)

* * *



Significant Dates ▶

MAR

- 2 First Congress of Third (Communist) International -- COMMINTERN. 1919.
- 5 Churchill delivers "Iron Curtain" speech at Fulton, Missouri: denounces Soviet "expansive and proselytizing tendencies" -- "an iron curtain has descended across the Continent." 1946. 20th anniversary.
- 5 Joseph Stalin dies. (Born 21 Dec 1879). 1953.
- 8 International Women's Day, appropriated since 1945 by the Communist WIDF.
- 8 February Revolution in Russia 8-15; Tsar Nicholas II abdicates. 1917.
- 10 Czech Foreign Minister Jan Masaryk dies in fall. 1948.
- 12 Brief Finnish war with USSR ends. Finland yields territory to aggressor. 1940.
- 13 Chinese Communist attempt arrest Dalai Lama precipitates general revolt. 1959.
- 13 President Kennedy proposes "Alliance for Progress" for Latin America. 1961. Fifth anniversary.
- 14 Karl Marx dies. (Born 5 May 1818). 1883.
- 18 Kronstadt Uprising crushed (see 23 Feb) 1921. Forty-fifth anniversary.
- 21 Hungarian Republic of Soviets formed with Soviet financial assistance to Bela Kun (overturned 1 August) 1919. Bela Kun executed in USSR purges of 30's.
- 23 Pakistan assumed full independent republic status. 1952.
- 25 Treaties creating Common Market (EEC) and Euratom signed. 1957.
- 29 23rd Congress of the CPSU, Moscow.

APR

- 1 Berlin Blockade begins. 1948. (Ended by Soviets, after successful US airlift, 12 May 1949).
- 2 Molotov disclaims Soviet desire acquire new territory or change Rumania's social structure when Red Army enters, WW II. 1944.
- 4 First World Festival and Congress of Negro Arts, Dakar, Senegal April 4-24, sponsored by UNESCO and Society of African Culture.
- 7 Milovan Djilas arrested (see 17-18 Jan 1954). 1962.
- 11 International Day of Liberation from Fascism, celebrated annually by International Fed. of Resistance Movements (communist).
- 12 Major Gagarin, USSR, first orbits Earth. 1961. Fifth anniversary.

PROPAGANDIST'S GUIDE to COMMUNIST DISSENSIONS



#71

Commentary 19 January-1 February 1966

Principal Developments:

1. The relative lull in public polemics continues, except for a few more Chinese and Albanian blasts on the themes of Soviet collaboration with the U.S., with the Japanese, and with the Indians -- against China.
2. On the Soviet side, we have only the Western press reports from Moscow of the circulation by the CPSU among its membership of a long indictment of Chinese policies, the main thrust of which is that Peking has now abandoned its 5-year ideological war and advanced to direct attacks on the national interests of the Soviet Union.*
3. The recent spate of secret, top-level, bilateral meetings between European parties continues: the Czechs to Moscow, to Poland, and entertaining the Spanish CP; the Poles to Budapest; and Rumanian Premier Maurer to Yugoslavia.
4. The 11th Congress of the Italian CP was attended by delegations from 41 CPs, including the CPSU and most of the major parties aligned with it -- but not the Chinese or any parties aligned with it. The Rumanian Party was represented -- and heard attacks on the Chinese by PCI GenSecy Longo and French CP speaker Duclos. The 14th Congress of the Finnish CP brought less than a dozen delegations, also limited to the Soviet camp in Europe. The Rumanians again heard attacks on the Chinese by GenSecy Pessi and Politburo member Hertta Kuusinen.
5. The Czech-Spanish communique includes an endorsement of "an international conference of CPs, convoked at a convenient time." (A Prague Nova Mysl editorial on 29 Jan is less specific: "a wide international consultative meeting ... is possible and desirable, after careful preparations.")
6. There have been several divergent clandestine reports on Soviet plans or prospects for dealing with the Chinese challenge at the 23rd Congress, but nothing firm enough for forecasting. Most drastic is the reported comment by a TASS correspondent in Japan that the Congress would mark a "turning point" in the ICM -- no further explanation.

*Reuters reports from Moscow on Feb. 1 that the CPSU has distributed a similar letter to foreign CPs: see Press Comment for reproductions of these Moscow reports, 3 February.

7. Clandestine reporting indicates that the Japanese CP leadership is trying to move away from its close identification with the CCP and hoping to attend the CPSU Congress: the Miyamoto-led delegation to Peking (#70) is reportedly charged with explaining the leadership's problems and intentions to the CCP. The new shift is said to reflect the leadership's concern over growing pressure and danger of further dissidence among Japanese Communists (the Indonesian CP's fate has been a severe shock to Chinese-line elements), as well as apprehension over possible isolation in the ICM.

8. Belgrade Radio's correspondent in Moscow reports Soviet confidence that "China has almost completely lost its influence in N. Korea" and that N. Vietnam is moving in that direction.

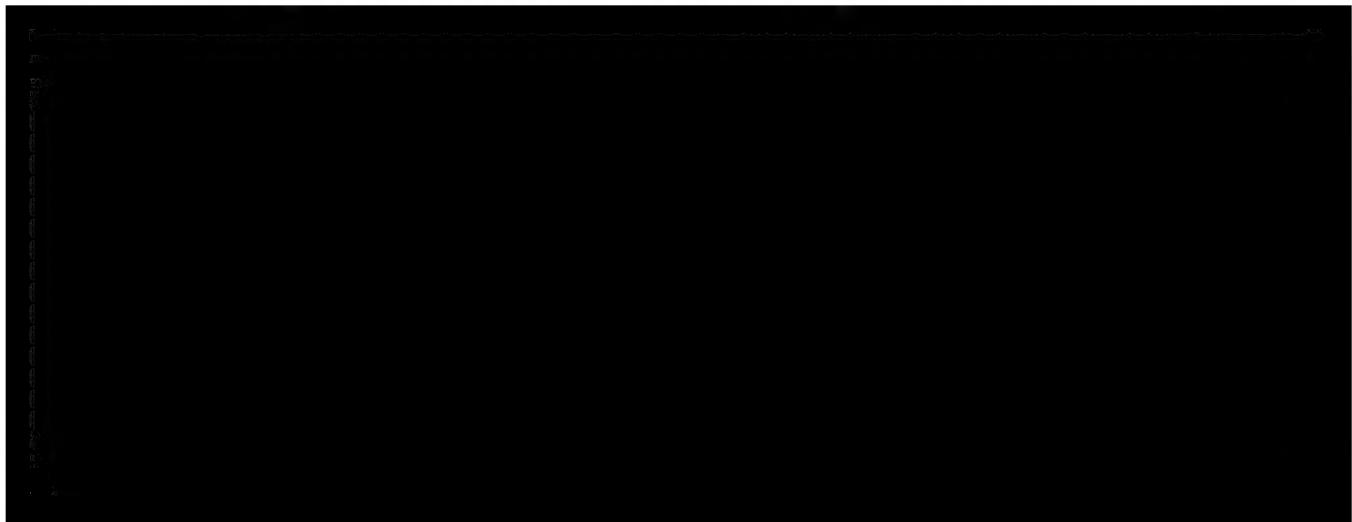
9. Two conflicting clandestine reports have been received on plans for a 1966 conference of West European CPs: one says that it will be held in France over the Pentecost week-end (27-29 May); and the other that it will be held in Vienna in May.

Significance:

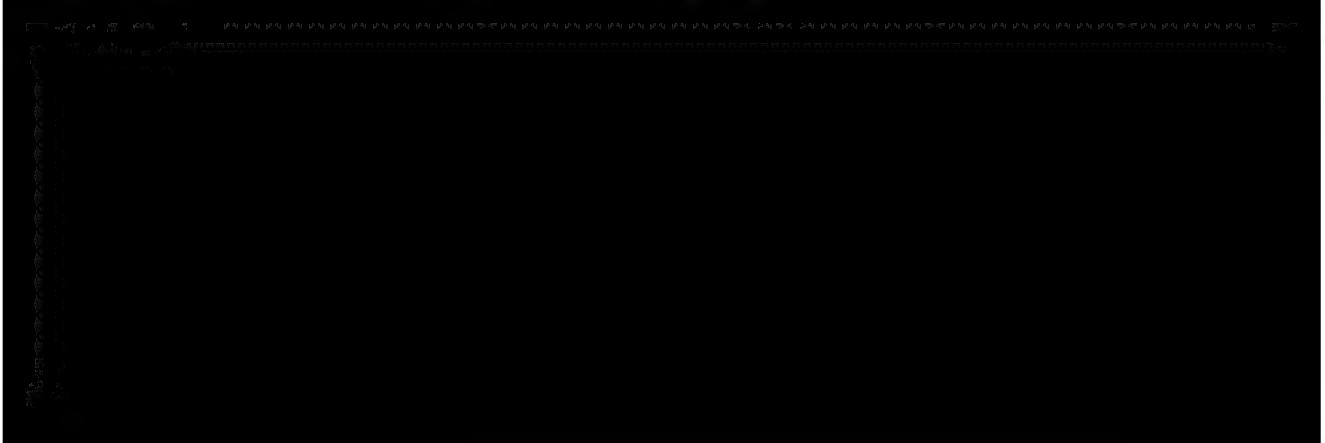
Soviet plans and prospects for convening a wide CP meeting -- whether one limited to "unity in action in aiding Vietnam," one utilizing the assemblage of world CP delegations to the 23rd CPSU Congress, or the full-fledged world meeting so long discussed and delayed -- are still completely obscure. The Italian CP Congress seems to demonstrate that the PCI has moved a step further toward alignment with the Soviets against the Chinese, and, perhaps, that even the Rumanians are now ready to be counted on the Soviet side (the latter seemingly further confirmed as the Rumanians repeated at the Finnish Congress).

In any case, it is clear that the 23rd CPSU Congress, due to convene on 29 March, will hold the center of the stage in the ICM, at least for the next several months.

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~~SECRET~~

(Commentary.)

CHRONOLOGY -- COMMUNIST DISSENSIONS

#71

19 January-1 February 1966

January 19: Budapest MTI reports that the Gomulka-led Polish Party delegation "had a friendly meeting on 18-19 January in Budapest" with a Hungarian Party group led by Kadar. They discussed "further development of cooperation between their countries and parties and exchanged opinions about topical foreign political problems and topical problems of the international Communist and workers movement," with "complete identity of views on all problems discussed."

Prague CTK reports a joint communique on an 11-19 January visit of a Spanish CP delegation led by Chairman Dolores Ibarruri with a Novotny-led Czech Party delegation, "in a cordial and comradely atmosphere where agreement was common." It includes the statement that "both parties are also firmly convinced of the usefulness of an international meeting of Communist parties, convoked at a convenient time...."

January 19-20: A Novotny-led Czech Party delegation in Moscow meets "in an atmosphere of fraternal friendship, cordiality, and complete mutual understanding" with the top CPSU leadership: TASS on the 20th reports that "the two sides stressed a complete identity of views in appraising the present international situation and the situation in the ICM."

January 22: Albanian Party daily Zeri I Popullit editorial is pegged to Japanese Foreign Minister Shina's visit to Moscow: "The New Rapprochement Between the K Revisionists and the Japanese Militarists Encourages Imperialist Aggression in Asia." Such rapprochement, it declares, "constitutes one of the most important steps in the foreign policy of the two governments who thus propose to 'put a brake on China' and strike a blow against the liberation movement of the peoples in Asia." Later, ZIP expands its charges:

"The Soviet leaders are trying in every possible way to erect a wall around China. These machinations have been stepped up by the Soviet leaders to such a point that former British PM Lord Home is of the opinion that there is now a hope of seeing the creation of a natural Asian coalition based on India and Russia...."

January 24: Belgrade Radio correspondent in Moscow Sundic reports that "it is confidently asserted in Moscow that China has almost completely lost its influence in N. Korea, and that the same signs are also noted in the attitude of N. Vietnam. N. Korea's positive attitude toward the Soviet Union is explained by the fact that the Korean leadership itself reached the conclusion that it cannot follow and support the Peking adventurist policy."

(Chronology Cont.)

NYTimes Bucharest correspondent Binder describes a "country-wide celebration of the 107th anniversary of the union of Moldavia and Walachia, two principalities that form the basis of modern Rumania." He notes that the 100th anniversary of the event was given only perfunctory treatment in the Rumanian press and adds that "some observers" feel that the present ostentatious celebrations are "intended to reassert a 'residual' claim to Bessarabia (once a major part of Moldavia which was incorporated into the Soviet Union during WWII) and to remind the Soviet Union of Rumania's interest in the fate of the Rumanians who make up 60% of the population of present-day Soviet Moldavia."

January 24-25: A Novotny-led Czech Party delegation and a Gomulka-led Polish Party delegation meet at Wisla, Poland, to discuss questions of "all-round cooperation between the two countries," in "a cordial and friendly atmosphere." "The most important issues of the present international situation and of the ICM were also discussed," with "an identity of views on all issues discussed."

January 25-31: The Italian CP holds its 11th Congress in Rome, with 41 party delegations, including a Suslov-led CPSU group and Rumanian representation, as guests, but none from the Chinese or any other Asian (except the Mongolian) or other Chinese-aligned CP. PCI GenSecy Longo openly criticizes the Chinese in his opening speech (according to TASS: we have not yet seen the PCI's own reporting), saying that the aid given to the Vietnamese by the USSR and other socialist countries "could have been more effective" had the Soviet proposals for unity been accepted by the Chinese, that the CCP leaders are "leveling absurd charges against the Soviet Union" on this subject. Suslov's long speech tactfully accentuates the positive and makes no mention of difficulties in the movement. French CP speaker Duclos denounces (according to TASS) "the rejection by the Chinese leaders of the proposal for agreement among the socialist countries to render more effective assistance to the Vietnamese."

January 26-30: Rumanian Premier Maurer pays "a friendly visit" to Yugoslavia, -- with no communique published as of 1 February.

January 29: Czech Party theoretical weekly Nova Mysl editorial "regrets" Chinese "allegations about the 'revisionist' line pursued by the CPSU leadership" and other fraternal parties. "Such an approach damages the interests of the movement and arouses justified fears of causing irreparable damage if the CCP wants to continue this line." Referring to Chinese and Albanian charges that the fraternal parties are attempting to isolate the CCP, it says that "it is the CCP leadership that is stepping out of ranks if it refuses any cooperation or any joint action."

The article says that "the holding of a wide international consultative meeting of Communist and workers parties is possible and desirable, after careful preparations."

January 29-1 February: The Finnish CP holds its 14th Congress in Helsinki: limited reporting available as of 1 February (primarily TASS bulletins) indicates that less than a dozen Soviet-aligned European CPs sent delegations, including the Rumanians. GenSecy Ville Pessi and Politburo foreign policy speaker Hertta Kuusinen criticize the Chinese: CPSU chief delegate Grishin avoids mention of problems with Chinese.

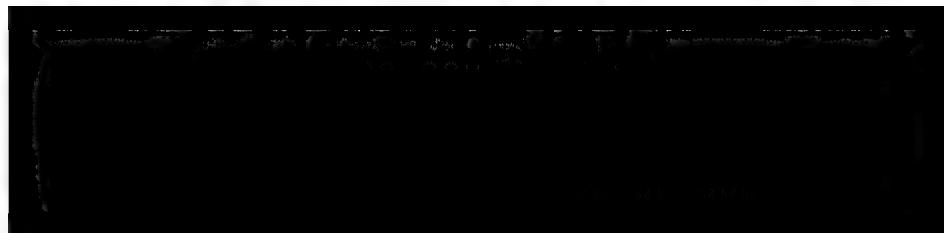
January 30: Peking People's Daily editorial, pegged to the 27 January resumption of the 17-nation disarmament commission talks in Geneva, denounces the Soviet Government for "preparing the ground to strike a new deal with U.S. imperialism." "The U.S. sings and the S.U. chimes in; how very harmonious and how very intimate! ... This clearly shows to what depth the Soviet leaders have sunk in their quest of American-Soviet cooperation." It concludes that the Soviet leaders "must be told with frankness that so long as they take united action with U.S. imperialism, no M-L, no revolutionary people of the world will take united action with them."

January 31: NCNA Peking comments that a collection of the late Indian PM Nehru's writings and speeches has just been "turned out" by the Soviet "Progress" publishing house, under the title: Indian Foreign Policy. "This Soviet publication found it convenient to use Nehru's words freely to vilify the struggle of the Vietnamese people to resist U.S. aggression and save their country, and maliciously slander China."

February 1: Western correspondents in Moscow describe "a detailed indictment of Communist China's policies" which the Kremlin leaders are reported -- according to "reliable Communist sources" -- to be circulating among the CPSU membership. The main thrust is said to be that China "has now abandoned its 5-year ideological offensive and gone over to direct attack in spheres affecting the Soviet Union as a nation." They acknowledge that there has been no official mention of such a letter. (On Feb. 3 Reuters reports from Moscow that the CPSU has distributed a similar letter to foreign CPs.)

985.

THE 23RD CPSU CONGRESS: II



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SITUATION: Although the CPSU is now less than two months away from the 29 March starting date for its 23rd Congress and has published a number of articles (totaling about 100 pages) pegged to the Congress in its foremost theoretical journal Kommunist, there is still little firm indication of its plans. An unclassified review of these Kommunist articles is attached: in general, they seem to confirm our original impression that the CPSU leadership will attempt to limit the proceedings (at least those open to the public) to a general endorsement of the Brezhnev-Kosygin policies demonstrated in the post-Khrushchev era, with emphasis on basic economic reforms and on "democratization" of Party life.

Soviet plans and prospects for dealing with the Chinese challenge at the Congress - whether within the Congress sessions or using the assemblage of world CP delegations as a major event in the ICM -- are still obscure. We have noted new evidence (especially the Soviet-Mongolian communique, Propagandist's Guide #70) of Soviet intent to proceed with the long-delayed project for a world Communist meeting, but at the same time we speculated that the N. Vietnamese agreement to send a delegation must mean a Soviet promise not to use the Congress gathering for any purpose which would give the Chinese grounds for criticizing N. Vietnamese party. However, several clandestine reports indicate that some parties do expect the CPSU to use the assemblage for some such purpose, and a Soviet TASS correspondent is reported as saying -- without further explanation -- that the Congress would mark a "turning point" in the ICM.

In the first days of February Western correspondents reported from Moscow that the Kremlin leadership was circulating throughout the CPSU membership a detailed indictment of Chinese policies, the principal thrust of which is that Peking has abandoned its 5-year ideological war against Moscow and gone over to direct attack on the Soviet Union in various spheres of national interest.

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CUBA VS COMMUNIST CHINA

Political Determinants of Communist Trade



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SITUATION: In the last few years the People's Republic of China (CPR) has charged the USSR with ulterior motives in first extending economic aid and then cutting it off. Cuba has now in effect charged the CPR with backing out of a long term sugar-rice trade agreement. The decrease in trade exchanges for 1966 comes at a time when Castro has, in spite of certain calls for revolutionary action in recent speeches, placed himself again on the Soviet side in the Sino-Soviet conflict and obligated himself for continued Soviet support.

Cuban CPR charges. In three official statements the Cuban and CPR governments have differed in their explanations of trade agreements and exchanges in the past and over current negotiations for 1966. Each has implied that the other lied and questioned the motives of the other for publicly discussing their differences. Prime Minister Castro started the open debate on 2 January 1966 in a speech celebrating the 7th anniversary of the Cuban revolution on the eve of the Tri-Continent Conference in Havana, to explain to the people "the reasons for which we will have less rice" in 1966. The CPR's Foreign Trade Ministry countered the charges in an interview on 9 January, which the Cuban Foreign Trade Ministry rejected in a detailed rebuttal on 12 January 1966. [See unclassified attachment for excerpts from these statements.]

Some four major areas of dispute appear in the official texts, as follows: 1) Castro says there was a long term agreement to increase trade, which the CPR categorically denies; 2) Cuba says that the CPR will not allow the use of credits to cover a trade deficit for 1966 while the CPR says the request has not been made to the correct official; 3) Cuba contends that 1966 trade will be below any previous year, again denied by the CPR; 4) Cuba states that the prices for rice and sugar were favorable to the CPR while the Chicoms say the reverse is true.

If the figures presented for 1966 remain unchanged, as would appear to be the case (the Cuban trade delegation arrived in Peking 10 Nov 1965 to start negotiations; were reported leaving on 7 Feb 1966), the CPR will not accept the quantity of sugar Castro wants to sell and will provide only

135,000 metric tons of rice instead of the 285,000 so badly needed by the Cuban people. The CPR statement says that while China has enough rice, they must sell it to obtain currency to buy other grains which they are lacking. It was reported (NYTimes, Jan.) that rice exports to Japan will rise above 1965 by some 140,000 metric tons.

Chicom Aid Grants. While some two-thirds of the CPR's aid still goes to communist countries (Asian with the exception of Albania and Cuba) it started an aid program to selected non-communist underdeveloped countries in 1960. In a political drive to establish bonds of common interest with the non-European world to the exclusion of western ideologies and interests (in which it is now including the USSR) the CPR has also condemned the Soviet Union for the nature of its economic assistance. Responding to Moscow's abrupt withdrawal of aid, after the outbreak of Sino-Soviet hostilities, with villifying remarks that it had never received aid as such, Chou En-lai said

"Speaking quite generally, the Soviet Union did not give China any aid without getting something in return." (Interview in Look magazine, reprinted in Die Welt, Hamburg 16 Jan 1961.)

At a later date, the CC of the CCP in a memo to the CPSU of 29 February 1964 (published in Jen-min Jih-pao 9 May 1964) said

"We must point out that Soviet aid to China was by no means free; it took place mostly in the form of trade and it was not a one-sided affair. China paid and is still paying the Soviet Union for all equipment and ... other merchandise, as well as gold and other foreign currency."

The Chicoms also charged the Soviets with extending aid as "a means of making a profit." (Jen-min Jih-pao 31 May 1964). For their part the Soviets have claimed that they gave the Chicoms "charity," and have given detailed accounts of the actual aid extended to the CPR.

The Chicoms have stressed the point that Soviet aid is interest bearing (i.e., profit-making). Significantly Chicom aid to developing countries is purported to be largely interest-free -- that is, after its open conflict with the USSR and its entrance into the field of aid to non-communist countries. According to an analysis by a German scholar, D.E. Gross, a comparison of the nature of CPR aid to communist countries (started in the 1950's) with that to non-communist developing nations shows the following*:

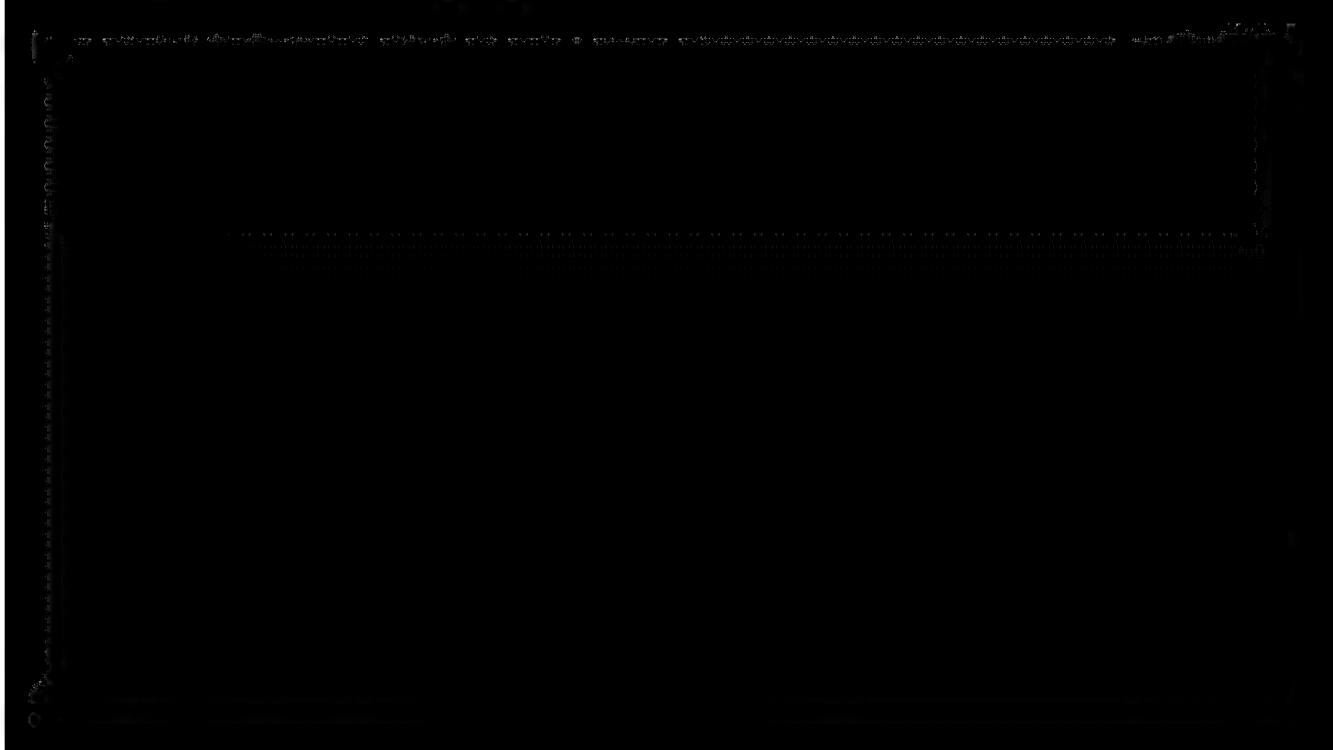
*See Propaganda Note #113 with unclassified translation "Development Policy and Development Aid of CPR" by D.E. Gross, from The East Bloc and the Developing Nations June 1965.

<u>Loan</u>	<u>Communist countries</u>	<u>Non-communist countries</u>
1) without interest	insignificant	75%
2) with interest	over 50%)))	25%
3) non- repayable	a little) under 50%)	

In effect, Communist China mounted its economic offensive in the developing world by saying: we too are a developing country, but we will share with you -- without asking you to pay for our help (i.e., making a profit).

Actually, the Chicoms do have advantages, probably hidden in many instances, in their trade agreements which are about 90% barter. In the Cuban-CPR exchange, for example, the CPR said that they were giving 1.12 tons of rice for every ton of sugar while the Cubans insisted they were giving more sugar for less rice. Communist countries have often been charged with setting a high value on their export barter goods and a low market price on their import barter goods.

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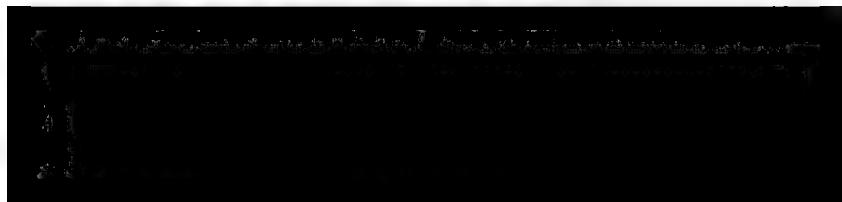
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987 WH.

MEXICAN PRESIDENT VISITS CENTRAL AMERICA



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SITUATION: Mexican President Gustavo Diaz Ordaz toured the capitals of the six Central American republics in January 1966. This was the first visit ever made to these countries by a Mexican chief of state. The trip was inspired by mixed motives, including a clear commercial interest in building a bridge to the very successful Central American Common Market. The President also desired, however, to develop a new "Good Neighbor" policy consonant with Mexico's rapidly developing economic and political stature.

Mexico's GNP growth rate has been one of the highest of any Latin American country and compares favorably with those of the European Economic Community and the United States. Mexican foreign trade has also grown impressively, and her aggressiveness in this field has created concern in some quarters. Diaz Ordaz undertook his tour partly also in order to allay such suspicions.

Mexico's president was warmly greeted by the peoples of the countries he visited; he was almost mobbed by a cheering throng in El Salvador. Cultural, economic and/or technical assistance agreements were concluded in each country. The cultural agreements centered around the study and restoration of the Mayan heritage of the region, included exchanges of students and professors and provided for reciprocal recognition of scholastic accreditations. The economic and technical agreements included a \$5,000,000 credit granted to Honduras and a Mexican subscription to \$10,000,000 of bonds in the Central American Common Market bank. These were the first direct foreign loans ever granted by Mexico. Other agreements included various provisions for improving the trade balance between Mexico and several Central American countries.

Diaz Ordaz ran into considerable criticism from the local press for Mexico's Cuban policy, specifically its position relative to the free travel access through Mexico to and from Cuba, thus opening the doors for subversive agent traffic.

However, this was of relatively minor importance compared to the over-all significance of Diaz Ordaz' trip: an important and largely successful first step in expanding and improving social and economic relationships with the Central American states. The fact that Mexico

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has now developed to the point of being able to offer economic and technical assistance to other Latin American nations augurs well for the future. Perhaps most important of all is Mexico's evident determination to foster co-operative and friendly relations, specifically promising no economic or political interference.

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NYTimes
1 Feb 1966

CPYRGHT

Bonn Ransoms 2,600 From East Germany

CPYRGHT
Special to The New York Times
BERLIN, Jan. 31—West Ger-

many has secretly bought free-
dom from East Germany for
2,600 political prisoners, it was
learned today.

The operation, which was pri-
vately arranged through law-
yers in East and West Berlin,
was said to have involved the
payment of ransoms equivalent
to as much as \$10,000 a pris-
oner. In all, East Germany was re-
ported to have obtained the
equivalent of more than \$24 mil-
lion.

The East Germans did not
receive the payments in cash,
however. Through the East-
West German trade office, they
were enabled instead to import
vital consumer goods, largely
coffee, citrus fruit, butter and
fertilizer.

The transaction began in 1964,
when release was obtained for
800 prisoners. The rest were
freed last year and this month.

Officials said the West had
called a temporary halt in the
operation, not because there
were no prisoners left, but be-
cause it was felt there was a
danger that the Communists
might attempt to arrest West-
erners deliberately in the hopes
of obtaining payments for their
release.

While the majority of pris-
oners were West Germans and
West Berliners, most of them
were arrested in connection
with escape operations. Others
came from East Germany and
East Berlin.

Under the arrangement, pris-
oners were released to the
places where they had lived be-
fore their arrest.

The Westerners were taken in
buses across the East-West Ger-
man border to a clandestine
camp in the state of Hesse,
West Germany.

There they were released to
return to their home towns.
They were told not to speak
about their experience so as not
to endanger the release of
others.

Details of the transaction
came to light Oct. 8, 1964, when
the West German Government
announced that it had bought
the release of 800 political pris-
oners. The extent of the opera-
tion was later shrouded in
secrecy by officials who feared
that the Communists would
break off the arrangement once
the facts became known.

Action on Funds Expected

The budgetary committee of
the West Germany Parliament
in Bonn is expected next week
to approve the funds provision-
ally made available by the ad-
ministration of Chancellor Ludwig
Erhard. Dr. Erich Mende,
Vice Chancellor and Minister of
All-Germany Affairs, was in-
strumental in arranging the
deal.

Officials said plans were now
under consideration for a simi-
lar arrangement to obtain free-
dom for more than 2,000 chil-
dren and youths whom the East
Germans refused to release
from East Germany even
though their parents live in the
West.

In many cases, fathers and
mothers fled the Communist
country and were unable to take
their children along. Some of
these youngsters were placed in
orphanages and children's homes,
while others were allowed to
live with grandparents or other
relatives.

In a number of cases, courts
have ruled that the children
must be returned to their par-
ents. But frequently the Com-
munists have refused to comply
with such court orders, demand-
ing instead the return of the
parents to East Germany.

Freeing of Cubans Recalled

In December, 1962, the Cuban
Government of Fidel Castro re-
leased 1,113 prisoners in ex-
change for \$53 million in food,
medical supplies and drugs gather-
ed by a group of Govern-
ment officials and private citi-
zens in the United States.
Senator Robert F. Kennedy, then
Attorney General, and James B.
Donovan, a New York lawyer
who later became president of
the city's Board of Education,
were instrumental in the trans-
action.

The prisoners had been seized
during the ill-fated Bay of Pigs
invasion of April, 1961.

Fact Sheet

[redacted]
14 February 1966

Twentieth session
Agenda item 107

Resolution Adopted by the General Assembly

[on the report of the First Committee (A/6220)]

2131 (XX). Declaration on the Inadmissibility of Intervention
in the Domestic Affairs of States and the Protection
of Their Independence and Sovereignty

The General Assembly.

Deeply concerned at the gravity of the international situation and the increasing threat to universal peace due to armed intervention and other direct or indirect forms of interference threatening the sovereign personality and the political independence of States,

Considering that the United Nations, in accordance with their aim to eliminate war, threats to the peace and acts of aggression, created an Organization, based on the sovereign equality of States, whose friendly relations would be based on respect for the principle of equal rights and self-determination of peoples and on the obligation of its Members to refrain from the threat or use of force against the territorial integrity or political independence of any State,

Recognizing that, in fulfillment of the principle of self-determination, the General Assembly, in the Declaration on the Granting of Independence to Colonial Countries and Peoples contained in resolution 1514 (IV) of 14 December 1960, stated its conviction that all peoples have an inalienable right to complete freedom, the exercise of their sovereignty and the integrity of their national territory, and that, by virtue of that right, they freely determine their political status and freely pursue their economic, social and cultural development,

Recalling that in the Universal Declaration of Human Rights the General Assembly proclaimed that recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world, without distinction of any kind,

Reaffirming the principle of non-intervention, proclaimed in the charters of the Organization of American States, the League of Arab States and the Organization of African Unity and affirmed at the conferences held at Montevideo, Buenos Aires, Chapultepec and Bogota, as well as in the decisions of the Asian-African Conference at Bandung, the First Conference of Heads of State or Government of Non-Aligned

Countries at Belgrade, in the Programme for Peace and International Co-operation adopted at the end of the Second Conference of Heads of State or Government of Non-Aligned Countries at Cairo, and in the declaration on subversion adopted at Accra by the Heads of State and Government of the African States,

Recognizing that full observance of the principle of the non-intervention of States in the internal and external affairs of other States is essential to the fulfillment of the purposes and principles of the United Nations,

Considering that armed intervention is synonymous with aggression and, as such, is contrary to the basic principles on which peaceful international co-operation between States should be built,

Considering further that direct intervention, subversion and all forms of indirect intervention are contrary to these principles and, consequently, constitute a violation of the Charter of the United Nations,

Mindful that violation of the principle of non-intervention poses a threat to the independence, freedom and normal political, economic, social and cultural development of countries, particularly those which have freed themselves from colonialism, and can pose a serious threat to the maintenance of peace,

Fully aware of the imperative need to create appropriate conditions which would enable all States, and in particular the developing countries, to choose without duress or coercion their own political, economic and social institutions,

In the light of the foregoing considerations, solemnly declares:

1. No State has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State. Consequently, armed intervention and all other forms of interference or attempted threats against the personality of the State or against its political, economic and cultural elements, are condemned.

2. No State may use or encourage the use of economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights or to secure from it advantages of any kind. Also, no State shall organize, assist, foment, finance, incite or tolerate subversive, terrorist or armed activities directed towards the violent overthrow of the regime of another State, or interfere in civil strife in another State.

3. The use of force to deprive peoples of their national identity constitutes a violation of their inalienable rights and of the principle of non-intervention.

4. The strict observance of these obligations is an essential condition to ensure that nations live together in peace with one another, since the practice of any form of intervention not only violates the spirit and letter of the Charter of the United Nations but also leads to the creation of situations which threaten international peace and security.

5. Every State has an inalienable right to choose its political, economic, social and cultural systems, without interference in any form by another State.

6. All States shall respect the right of self-determination and independence of peoples and nations, to be freely exercised without any foreign pressure, and with absolute respect to human rights and fundamental freedoms. Consequently, all States shall contribute to the complete elimination of racial discrimination and colonialism in all its forms and manifestations.

7. For the purpose of the present Declaration, the term "State" covers both individual States and groups of States.

8. Nothing in this Declaration shall be construed as affecting in any manner the relevant provisions of the Charter of the United Nations relating to the maintenance of international peace and security, in particular those contained in Chapters VI, VII and VIII.

1408th plenary meeting,
21 December 1965.

Kommunist On The 23rd CPSU Congress

Following is a brief review of a series of articles pegged to the 23rd CPSU Congress appearing in the CPSU theoretical journal Kommunist, Nos. 17 and 18, December 1965, and No. 1, January 1966.

Kommunist No. 17, signed to the press 2 December 1965, featured an unsigned 5,000-word lead editorial on the Congress which discusses a number of internal questions in line with the sober, reform-minded approach of the Brezhnev-Kosygin leadership. It still bows to the 20th and 22nd Congresses and the new Program but now points to the October 1964 plenum (which ousted Khrushchev) as "of great importance to the life of the party and the country," following which "serious work was done for improving the methods of party and state leadership." (In a later passage, it mentions "all types of subjectism," "tendency toward 'arbitrary' methods," and "switches from one direction to another" as faults eliminated by the post-K plenums.)

Stating flatly that "the time for a serious reorganization of our economy has come," Kommunist indicates that major attention will be focused on the party's efforts at "resolving the basic economic problems on a scientific basis." After it defends "economic concepts such as profits, market, price, efficiency in returns on capital investment, etc., which were extensively covered in the resolutions of the September Plenum," against both "bourgeois interpreters" and "those vulgarizers and dogmatists who base their theories not upon life or objective reality, but upon sterile schemes" (i.e., the Chinese), Kommunist emphasizes that "material incentive is a powerful and irreplaceable factor in production growth, the mobilization of people's talents for the common good."

Toward the end, the editorial interestingly turns the party's attention to the social sciences, which "are given prerequisites such as to turn them into a real theoretical basis for the solution of economic, social, and political problems, so that they become an efficient tool in social changes and the education of the people."

It also declares that "the CPSU statutes ... must be strictly observed." This is followed by a paragraph endorsing "the growth in CPSU ranks" (by over two million since the 22nd Congress), thus touching on another very controversial issue among the rank and file, that of "quantity vs. quality" of membership.

Two subsequent issues of Kommunist have reached us since No. 17. No. 18 of 1965 contains 5 articles (47 pages) under the general heading "The Party Goes to Its 23rd Congress," and No. 1 of 1966 includes 3 articles and a collection of notes from local organizations (total 37 pages) under the same heading. Although there was an unexplained shift of chief editors between Nos. 17 and 18 (A. G. Yegorov moved up to the chief post, while V. P. Stepanov again became just a staff editor), these articles in

Nos. 18 of 1965 and 1 of 1966 follow the same general line of the No. 17 editorial described above. The unsigned lead in 18 is devoted entirely to "the Party's Economic Policy and the Economic Plan for 1966." It assigns "first-place importance" in the building of "socialism, Communism" (sic) to the working out of a "scientifically based economic policy, effective means and methods of managerial leadership which would correspond to the character and level of productive forces and the peculiarities of production relationships at every stage of their development." The other (signed) articles in No. 18 are concerned with Soviet nationality relationships; central planning and local initiative; principles of party democracy; and the factory collective, party organization, and director. That on party democracy, by F. Petrenko, seems to be an earnest endeavor to encourage all individual party members to play an active role in the nomination and election of officers, particularly at the local level.

The unsigned lead in No. 1, "The Force of Example," declares that

"Today, (for the individual Communist) to be an example means:

- Raise the effectiveness of the production of society, increase the output of production....
- By all means develop technology, create new types of machines and equipment....
- Strengthen and develop managerial accountability....
- Manage economically...."

The other two (signed) articles in No. 1 are "On the economic bases of the alliance of the working class and collective farmers"; and "Under the Sign of High Responsibility." There are four short signed items under the heading "Affairs and Plans of the Party Organizations."

THE NEW YORK TIMES, MONDAY, FEBRUARY 7, 1966.

Excerpts From Castro Text on Communist China

Special to The New York Times

WASHINGTON, Feb. 6—Following are excerpts from an unofficial translation of a statement by Premier Fidel Castro of Cuba published in the Cuban press today:

I hope that the mistake will not be made of underestimating, of failing to realize the idiosyncrasy of our people; because heaps of mistakes of this kind have been committed by Yankee imperialism, one of whose characteristics is contempt for others, contempt for and underestimation of small peoples.

This imperialism has committed great, huge mistakes in underestimating our revolutionary people; it would be deplorable if others should commit similar mistakes. Our sincere policy has been and is to unite because we are not and never shall be satellites of anyone.

The imperialist enemy cannot be fought effectively in any part of the world with the revolutionists divided, with the revolutionaries insulting one another, with the revolutionaries attacking one another. There must be unity and cohesion in the revolutionary ranks.

Despite this absolutely clear position, the unmistakable expression of the will of our people and of the policy we propose to follow, the Chinese Government has increased the shipment and mass distribution of propaganda material to our country, both directly from China and through its diplomatic representatives.

On Sept. 12 the Ministry of the Revolutionary Armed Forces reported that a mass distribution of this material was being systematically conducted by representatives of the Chinese Government among the officers of the Revolutionary Armed Forces of Cuba. This propaganda was being sent to the general staffs of the armies, to the staffs of the army corps, to division staffs, to the staffs of the various arms administrations, to the heads of political sections, and in many cases directly to offi-

cers of our armed forces at their home addresses.

On occasion Chinese representatives tried to make direct contact with Cuban officers and went so far sometimes as to approach officers in an apparent effort to influence them personally, either seeking to proselytize or sometimes to obtain information.

A type of massive distribution of propaganda, similar to the one mentioned in this report, was carried out among many civil functionaries of the state, although to a less intense degree. This was a really senseless thing that no sovereign state, no government that respects itself, will ever tolerate, a flagrant violation of the norms of the most elemental respect that should exist between Socialist and even non-Socialist countries. Our revolutionary state could not allow such an attempt to influence military and administrative cadres by acts that constitute a betrayal of the trust, friendship and brotherhood with which our country receives the representatives of any socialist state.

This was the reason that on Sept. 14 we expressed our protest in the most energetic terms to the Chinese chargé d'affaires—the ambassador was absent—and our demand that such activities cease.

We very clearly told the representative of the Chinese Government that those methods and procedures were exactly the same as the ones used by the United States Embassy in our country when it attempted to meddle in the internal affairs of Cuba and impose its will on the nation in one way or another, that our country had liberated itself from that imperialism 90 miles from our shores and it was not willing to permit another powerful state to come 20,000 kilometers to impose similar practices on us; that we considered the actions of the representatives of the Chinese Government to be in frank violation of the sovereignty of our country and harmful to the prerogatives that pertain exclusively to our Government, within our borders; and that no matter what the cost, our Government was not willing to tolerate such things.

After extensively expressing those points, we expressed our protest against the slander campaign against the Cuban revolution that was being carried out in some parts of the world by elements closely linked to the Chinese Government, which, from our point of view, made more serious the Chinese representatives' lack of compliance with the requirements made regarding the massive distribution of propaganda dealing with typically political matters.

Despite that warning, made in the most precise and conclusive manners, the Chinese Government and its representatives, with the insolence of the omnipotent and complete scorn for our country, sent more than 800 bags containing bulletins with political propaganda material for distribution in Cuba.

The total of these bulletins delivered to Cuba from aboard since the direct, personal warning from the President of the Republic and the Premier of the Revolutionary Government is 58,041. Also, since that date tens of thousands of other bulletins and material of a political nature, printed or accumulated by the Chinese representatives in Cuba, have been distributed.

This has happened despite the fact that the Chinese chargé d'affaires informed us on Sept. 4 that he would inform the government of his country and it would answer the objections raised. Not the slightest explanation from the Chinese Government has arrived. It has continued to conduct its activities and it gave its answer very obviously and

very clearly when our trade delegation arrived in China to discuss trade for 1966. It gave its answer in the form of a brutal economic reprisal for purely political reasons.

How could the Chinese Government expect that the Cuban Government would humbly go higher up to beg, to implore, that they give us a credit, that they accept the 800,000 tons of sugar, that they restore the 115,000 tons of rice, that they allow us a trade imbalance as in previous years, when from the first moment we understood the obvious extortionist position taken by China in the trade negotiations?

This exception on the part of the Chinese Government can be explained only as a display of absolute contempt toward our country; of total ignorance of the character and sense of dignity of our people. It was not simply a matter of more or less tons of rice, or more or less square meters of cloth, which were also involved, but of a much more important and fundamental question for the peoples; whether in the world of tomorrow the powerful nations can assume the right to blackmail, extort, pressure, attack, and strangle small peoples; whether in the world of tomorrow, which the revolutionaries are struggling to establish, there are to continue to prevail the worst methods of piracy, oppression, and filibusterism that have been established in the world since a class society slavery, feudal regimes, absolute monarchies, the bourgeois states, and, in the contemporary world, the imperialist states.

CHINESE PEOPLE'S REPUBLIC TRADE WITH CUBA

I. Castro Explains the CPR's decision to Decrease Trade

[Excerpts from Prime Minister Fidel Castro's speech 2 January 1966 for the 7th anniversary of the Cuban Revolution and on the eve of the opening of the Tri-Continent Conference in Havana]

"... there is a product with which there will be difficulties, because of reasons beyond our control, this year. That product is rice. I am going to explain the reasons for which we will have less rice, basing my conclusions on a report from our Foreign Trade Ministry in relation to the trade exchange with the People's Republic of China. It reads: Our commercial policy with China was oriented for 1966 toward continuing to increase the volume of exchange, thus following the trend of the last few years. The planned exports for 1966 amounted to 110 million pesos and the imports amounted to 140 million. These amounts, compared to prior years, provided for bigger deliveries of sugar on our part and bigger deliveries of rice on their part. During mid-November our delegation arrived in Peking to discuss the commercial protocol for 1966 which is to be signed in Havana. The delegation was headed by the director of our ministry, Comrade Ismael Bello. After several interviews with the Chinese officials, the following was officially proposed:

Sugar. The Chinese will not be able to accept the 800,000 tons of sugar which had been offered, for the following reasons: a) This year China had a big harvest; b) In 1961 the USSR made them a loan of 500,000 tons of sugar, payable in the same product. This year the USSR sugar loan was paid by using part of the sugar which was bought from Cuba; and c) The Chinese people do not at present require coupons for purchases of sugar because stocks are sufficient to meet the demand.

The quantities of rice supplied to Cuba in 1965 constituted an exception, due to the request made to the Chinese Ambassador by Prime Minister Fidel Castro. For 1966, even though they (the Chinese authorities -- ed.) have had a good crop, they see no possibility of greater quantities than in 1964, which amounted to 135,000 metric tons, for the following reasons: a) A need to build up a reserve in case of an attack by the Yankee imperialists, b) The aid they must provide to Vietnam, and c) Deficits in the yield of other grains, which necessitate imports from the capitalist area. As a result, certain quantities of rice have to be used to obtain foreign currency for that purpose.

Our ministry's report goes on saying that China had granted us two state credits, one in 1960 amounting to 60 million, for complete plants, another in 1963 amounting to 40 million, because of trade imbalances. Of the 60-million-credit, 30 million has been used already in various contracts on plants, and 20 million to cover the remainder of the unfavorable balance

in 1965. The 40-million-credit, of a commercial nature, has already been completely used up.

When our delegation brought up the question of using the remaining 10 million of the 1960 credit for partial financing of the unfavorable balance that would occur in 1966, according to our standard of exports and imports, the Chinese delegation replied as follows: Utilization of the credit, as an economic matter, was not within its competence and must be taken up at government level, but, as for products and quantities they could furnish us, their offers were the (maximum) and hence final. They said that in this way the volume of trade would attain more or less the 1964 level, since it would be a balanced trade.

Trade implications of these proposals. The foreign trade report says: Although the Chinese speak of bringing our trade to the 1964 level, by not allowing an imbalance as in previous years, what is in truth brought to the 1964 level are our exports, but the value of our imports will fall to a level below that of any year of trade from 1961 to 1965--since 1961, when our trade was established. As is customary between socialist countries, by means of annual commercial protocols, the value of our exports, 600,000 metric tons of sugar at six (?centavos) a pound and quantities of nickel and copper similar to preceding years, will come to some 85 million in 1966. The Chinese are adjusting their offers to that sum; this corresponds to their position on balanced trade.

Comparing our purchasing capacity of 85 million with the value of present needs of 140 million, the Chinese proposal means decreases in that market of something around 55 million. This means the reduction of 150,000 metric tons of rice with a value of 22 million pesos at 145 pesos to the metric ton. To understand this well, I must refer to a precedent which took place at the end of 1964 on the occasion of a trade proposition made personally by me to the diplomatic representatives of the Chinese People's Republic in our country.

.... I thought it would be mutually beneficial to effect a greater exchange of sugar for rice. As a result of this I made them the proposition, which in my opinion was highly beneficial to that country and also to ours, that we were prepared to deliver two tons of sugar for every ton of rice they sent us from China.

I made that proposal considering a number of circumstances, as I said before, among them the principle of international division of labor. The fact that we are a country which by tradition has raised sugarcane and produced sugar, and that we are capable of achieving a very high yield of sugar per hectare from sugarcane and considering the fact that such is not the case with rice because we do not have the same experience with it nor the large quantities of water, great rivers and large areas for the optimum cultivation of rice, nor do we know the best techniques, nor do we have the best varieties of seed as we have in sugarcane, that is why we made that proposal.

(Trade Cont.)

I must say that on this occasion the reply was more than we expected. They accepted the proposal, they even proposed that the exchange not be made in the manner in which we said. They would continue to pay us the same price for sugar and we would continue to pay the same price for rice. It was on that occasion, sincerely, when I proposed this, and based precisely on the principle of mutual benefit, it was not my idea that it was for one year. I sincerely believed that this was a proposal for the future at long range. That is why I saw nothing naive, although it has turned out to be in a certain manner naive, in proposing that we follow that line.

However, by what is seen, the other party did not understand it thus and understood that this was some exception and was for one year. As a result, we have already at the end of 1965 been faced with the reality that we will have practically one-half of the rice we received last year. We have no resources to buy this rice in other markets because this would be to the great detriment of other vital parts of the economy. It could effect medical items, textiles, and raw materials essential for industry because we are not in 1963 or 1964 when prices of sugar in other markets reached the level of 10 centavos. This means that we do not have the resources.

However,... we are not telling the Chinese to change. We accept the reasons of economic order they have given us and of strategic order they have given us. We could never object to that....

To be self-sufficient in rice, we would have to completely revise our agricultural plans for the coming years, the sugar plan for 10 million tons, our cattle-raising plans, our fruit production plans, and our vegetable production plans. We would have to allocate to it some 10,000 more irrigated caballerias and to invest in it the little amount of water we have for other crops of greater economic and nutritional value, as well as the machinery, the human resources and the economic resources in general. Therefore, in the long run, it would be harmful to our economy. Doubtless, it would not be good for our country to stop producing 1.5 million tons of sugar, which is what 10,000 irrigated caballerias of sugar-cane could produce and which would increase the purchasing power of our country by more than 150 million pesos, to produce on that same land and with the same effort rice that would be worth 25 million pesos.

Therefore, the other alternative, or the other alternatives are: the reduction of our consumption of rice....

II. CPR Ministry of Foreign Trade Answers Castro's Charges

[Excerpts from NCNA 9 January 1966 interview on trade between China and Cuba, People's Daily]

On 2 January Cuban Prime Minister Fidel Castro spoke at great length on the question of trade between China and Cuba at the mass meeting in Havana celebrating the seventh anniversary of the liberation of Cuba. To clarify the facts, our correspondent obtained a special interview with a responsible official of China's Ministry of Foreign Trade on the question concerned. The full text of the questions and answers is as follows:

Question: In his speech at the mass meeting on 2 January Prime Minister Fidel Castro said that the 1966 volume of trade between China and Cuba would fall below that of 1965 and that China's export to Cuba would fall to "a level below that of any of the trade years between 1961 and 1965." Would you please give an account of the negotiations between China and Cuba for trade in 1966?

Answer: The delegation of the Cuban Ministry of Foreign Trade led by Comrade Ismael Bello, director of the ministry's Department of Trade with Asian Socialist Countries, arrived in Peking on 10 November 1965 for preliminary discussions on trade in 1966 between the two countries with its counterpart delegation from China's Ministry of Foreign Trade, and the discussions are still going on.

According to reports from the delegation of our ministry, the volume of trade for 1966 between China and Cuba now tentatively agreed upon by the two delegations is lower than that of 1965. But it is still higher than that of 1962 or 1963 and is roughly the same as that of 1964. Prime Minister Castro said that China's export to Cuba would fall to a "level below that of any of the trade years between 1961 and 1965." This is at variance with the fact....

.... In the current discussions, the Cuban side asked us to supply it with 285,400 tons of rice in 1966, which was double the annual amount we used to supply to Cuba in the past few years, namely, between 120,000 and 135,000 tons. Although our grain harvest in 1965 is relatively good, it is still not enough to meet our country's needs in various fields, including those in aid to other countries. While frankly explaining our difficulties in the negotiations with the delegation of the Cuban Ministry of Foreign Trade, our side has made very great efforts and proposed to supply Cuba with 135,000 tons of rice in 1966 in thus maintaining the level of 1964. The Cuban comrades are fully aware of these facts.

Question: Prime Minister Castro said that he had suggested to exchange two tons of Cuban sugar for one ton of Chinese rice and had thought that the exchange was to be a "long-term" one. Could you give an account of this matter?

Answer: On 1 October 1964 Prime Minister Castro made a suggestion to our ambassador to Cuba, Comrade Wang Yu-ping, saying that Cuba hoped to exchange 370,000 tons of sugar for 250,000 tons of rice from China each year. And the rate of exchange proposed by him was one and a half tons of sugar for one ton of rice and not two tons of Cuban sugar for one ton of Chinese rice as stated by Prime Minister Castro in his speech on 2 January. At the time, the Chinese Government carefully considered Prime Minister Castro's suggestion and agreed to supply Cuba with 250,000 tons of rice within the one year of 1965, but did not promise to supply the same amount each year or accept his proposed rate of exchange between sugar and rice. The value of the 250,000 tons of rice supplied by China in 1965 was calculated according to the actual contract price, while the price of sugar remained the same as that agreed upon by the two sides in the contract. Hence, one ton of Cuba sugar was exchanged for 1.12 tons of Chinese rice.

No long-term agreement for the annual supply of 250,000 tons of rice by China to Cuba has ever been signed between the Chinese and Cuban governments. And no request for long-term annual supply of 250,000 tons of rice by China to Cuba was made by the Cuban ministries of foreign affairs and foreign trade during their contacts with the Chinese Embassy in Cuba after the Chinese side replied to Prime Minister Castro's suggestion. Nor was the matter raised in December 1964 when the Cuban Government trade delegation headed by Comrade Raul Maldonado, vice minister of foreign trade of Cuba, came to Peking to discuss and sign with our government the long-term trade agreement of 1965-1970, and the 1965 trade protocol between the two governments. Obviously, Prime Minister Castro's idea that China was going to supply Cuba with 250,000 tons of rice yearly on a long-term basis was groundless.

Question: In his speech Prime Minister Castro also referred to the question of China's loan for economic cooperation and trade loan to Cuba. He said that when the Cuban side suggested to use the economic cooperation loan to make up for its deficit in trade with China in the trade negotiations for 1966 between the two countries, "the Chinese side replied that the use of the economic loan was not within their power to decide, and should be brought up at the governmental level." What were the facts?

Answer: On 30 November 1960 the Chinese and Cuban governments signed the agreement on economic cooperation for 1960-1965, under which the Chinese Government granted the Government of the Cuban Republic a loan of 240 million old rubles--60 million U.S. dollars--free of interest and without any strings or privileges attached to it. As stipulated in the agreement, the loan was to be provided in the form of complete sets of equipment and technological assistance to help with Cuba's economic construction. It was quite different from the trade loan. If the Cuban

side wanted to use their loan for other purposes, the matter should be discussed and settled between the governments. In 1965, for example, after consultations between the Chinese and Cuban governments part of the economic cooperation loan -- to the value of 15 million U.S. dollars -- was used to make up for Cuba's deficit in its trade with China in the year.

During the preliminary trade negotiations for 1966, the Cuban side proposed to use part of the remaining sum of the economic cooperation loan to make up for the deficit in its 1966 trade with China. The proposal could be discussed, but as it concerned the implementation of the agreement on economic cooperation between the two countries, and as, according to the division of labor among our governmental departments, it fell within the competence of the Commission for Economic Relations with Foreign Countries, our delegation expressed the hope that the Cuban authorities concerned would consult the Chinese Commission for Economic Relations with Foreign Countries. This was a very reasonable reply. However, up to now Cuba has not contacted our Commission for Economic Relations with Foreign Countries on this matter. Yet Prime Minister Castro raised this matter in his speech as if China had refused to discuss the proposal. This is at variance with the fact.

Question: What do you think of Prime Minister Castro's remarks in which he made public contents of the preliminary trade negotiations for 1966 between China and Cuba?

Answer: According to the usual practice of trade negotiations between China and Cuba, preliminary discussions on trade between the two countries for 1966 are first held in Peking, and then the Chinese Government will send a delegation to Havana for the formal signing of the annual protocol. At the moment, the delegation of the Cuban Ministry of Foreign Trade is still in Peking, the preliminary trade negotiations between the two sides are going on, and the annual protocol has not yet been finally signed. If the Cuban Government has different ideas or demands, it can very well raise them for discussion with the Chinese Government. But instead of doing so, Prime Minister Castro has taken a step which is extraordinary in normal state relations.

At the Havana mass meeting celebrating the seventh anniversary of the liberation of Cuba, he unilaterally and untruthfully made public contents of the preliminary trade negotiations now going on between the governmental departments concerned of the two countries. We cannot but feel regret at this.

Each year there have been trade negotiations between China and Cuba, and each year differing views of one kind or another have cropped up in the course of the negotiations. But in the past Prime Minister Castro never acted as he had done now. Why then has he suddenly taken such an extraordinary step on the eve of the Three Continents Peoples Solidarity Conference in Havana? This offers food for thought.

III. Cuban Foreign Trade Ministry Replies to CPR

[Excerpts from text in Granma, organ of the Central Committee of the Communist party of Cuba 12 January 1966 -- also over Prensa Latina in Spanish.]

The Chinese News Agency NCNA, in a bulletin dated 10 January published some statements made to a correspondent by a "responsible official of the Foreign Trade Ministry" of that country in which, speaking of the statements of our Premier in his 2 January speech concerning the 1966 trade negotiations between Cuba and China, certain statements are made to which we consider it necessary to respond with complete exactness, and clarity so there can be no room for the slightest doubt about the strict truth of the statement of our Premier.

The official of the Chinese Foreign Trade Ministry says that "the volume of trade for 1966 between China and Cuba will be below that of 1965 but, nevertheless, greater than that of 1962 and 1963, but more or less the same as 1964. That official adds that "the statement by Premier Fidel Castro that the value of Chinese exports to Cuba would fall to a level below any of the years of exchange between 1961 and 1965 does not conform to the facts."

According to General Juceplan headquarters and the statistics department of the Cuban Foreign Trade Ministry, trade exchange between both countries has been as follows: 1961 -- Cuban exports to China 91.6; Chinese exports to Cuba, 98.6 million pesos; total trade, 190.2; 1962 -- Cuba to China, 89.0; China to Cuba, 89.8 million pesos; total trade volume, 178.8; 1963 -- Cuba to China, 72.7; China to Cuba, 90.8; total trade, 163.5 million pesos; 1964 -- Cuba to China, 81.4; China to Cuba, 109.3; total trade, 190.7; 1965 -- Cuba to China, 97.3; China to Cuba, 128.9; total trade volume, 226.2 million pesos; 1966 -- Cuba to China, 85.0; China to Cuba, 85.0; total trade, 170 million pesos.

The statistical figures for 1961, 1962, 1963, and 1964 were arrived at on the basis of the goods received in or shipped from the country....

The figures for 1965, the statistics for which have not yet been completed, including 250,000 tons of rice and 700,000 tons of sugar; the figures for 1966 represent approximately the value of the goods that could be included in the protocol in accordance with the restrictions established by the Chinese party.

The premier did not speak of the volume of the trade between the two countries, but of the value of our imports from China, that is, the total value of the goods that Cuba will receive from that country, which is what matters with regard to the needs of our population. The figures in the above statistical outline demonstrate, however, that with regard to the volume of trade, which is the sum total of what the country exports to another country plus what it imports from that same country each year,

only 1963 would be below 1966 with regard to imports from Cuba, which was what was stated by our Premier -- that its value would be below any year since 1961.

In effect, imports from China under the 1966 protocol will reach, according to what will be able to be purchased in that country in view of the limitations imposed on our sugar exports and in view of the quantity of goods offered Cuba and the implantation of a policy of balanced trade, 85 million pesos -- that is, 13.6 million pesos below 1961, when they were 98.6 million; 4.8 million less than in 1962, when they were 89.9 million; 5.8 million less than in 1963, when they were 90.8 million; 24.3 million less than in 1964, when they were 109.3 million; and 43.9 million less than in 1965, when it reached 12.9 million.

Therefore, what Premier Comrade Fidel Castro said in his speech of 2 January is strictly true-- that "the value of our imports from China will fall to a level below that of any of the trade years between 1961 and 1965." The revolutionary government never makes statements that do not stick strictly to the facts, and I would never hesitate to correct any error into which it might fall.

In October 1964, preliminary talks were initiated in Havana to be followed in Peking later by those dealing with the trade protocol for 1965. The Chinese Party had already agreed to send us that year 150,000 tons of rice, which constituted a slight increase over the figure of 1964, 135,000 tons. Therefore, Cuba would receive in 1965 150,000 tons of rice which, at a fluctuating price between 145 and 150 pesos per ton depending on the variety of the rice, would be exchanged for an equivalent of 165,000 tons (of sugar--ed), approximately, according to the stipulated price of 6.11 centavos per pound.

It was on that occasion that the Premier of the Cuban Revolutionary Government proposed increasing the trade of rice for sugar. Exchanging annually -- as the Chinese foreign trade official admitted according to the NCNA text -- 370,000 tons of sugar for 250,000 tons of rice, that is, instead of 150,000 tons, China would deliver 250,000 tons of rice, and, instead of 165,000 tons of sugar, Cuba would deliver 370,000 tons. Arithmetically speaking, Cuba would deliver approximately 205,000 more tons of sugar, and, if the arithmetic is not mistaken, this represents a ratio of almost exactly two for one. Therefore, the statement by the premier that the Cuban proposal involved an increase of the exchange of sugar for rice, at the rate of two tons of sugar for each ton of rice is strictly correct.

In another part of his statement; the Chinese official note that "Premier Fidel Castro had no grounds to believe that China was going to supply 250,000 tons of rice annually on a long-term basis." The reverse of this is much more logical.

When the Chinese Government agreed to the delivery of the 250,000 tons of rice requested and when it made a reply with regard to the price that was even more favorable than the one proposed by the Cuban party, in what appeared to be a gesture of special consideration for our economic needs, absolutely no one had the slightest reason to suppose that the Chinese Government was contemplating the possibility of reducing drastically and without the slightest warning the level of exchange in the following year. Otherwise, the Chinese reply to the Cuban proposal, which was made -- as the Chinese foreign trade official admits -- for the purpose of increasing the exchange annually, would have been meaningless. It was that confidence, which, if you like, was ingenuous but explainable, that led to believe that we could count similar quantities in years to come.

The Chinese statements admit the fact that when the Cuban party proposed the use of the economic cooperation loan, in 1960, to partially cover the deficit that would be created in the exchange with China in 1966, the Chinese side replied that this should be proposed on the government level - to the Committee for Foreign Economic Relations. But what was not mentioned is the fact that at the same time as making that gesture the Chinese delegation clearly said that its offers were maximum and final regarding the products and quantities they could deliver to us. Moreover, the Chinese delegation noted that trade for 1965 must be balanced, limiting the purchases of Cuban products to some 185 million pesos and, therefore, limiting the sales of the rice products to the same value.

Given this background, it is not understood how the Chinese side can express surprise that "up to the present time Cuba has not established any contact with our Committee on Foreign Economic Relations with regard to this problem."

Why request a credit if the Chinese offers are maximum? Moreover, why seek a credit if we were clearly and conclusively informed that the trade had to be balanced? It is true that Cuban foreign trade officials remain in that country, but since the Chinese side conclusively established the conditions and the volume of the trade it was prepared to accept, the work of those officials has been reduced to the routine of contracting for the product offered.

It is not unusual for the Cuban Revolutionary Government to explain to the people the consequences that would result from the brisk reduction of more than 40 million pesos in the import from the CPR as compared to the previous year, which under the present circumstances constitutes a hard and unexpected blow to our economy and a problem, without immediate solution, concerning the supplies of a product which is a traditional party of our people's diet and distribution of which had to be reduced to three pounds per capita per month as of January of this year.

... The event forced the Cuban Revolutionary Government to make this public explanation ... not only on the eve of the first Tricontinental Solidarity Conference, but at the time when Yankee imperialism has tightened the economic blockade against Cuba, the sugar prices on the world market have declined to the lowest levels in the past 20 years, and the country has suffered the worst drought since 1900.

(Signed--ed) The Cuban Foreign Trade Ministry.

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Fact Sheet

[REDACTED]
14 February 1966

Mexican President Visits Central America

Despite its geographic proximity, its shared Mayan and Spanish heritage, its cultural kinship, and its extensive economic ties, it is a startling fact that no President of Mexico has ever officially visited its neighboring countries in Central America. None, that is, until President Gustavo Diaz Ordaz' trip this year. From 10 to 22 January, Diaz Ordaz toured the capitals of all the Central American republics: Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama.

Diaz Ordaz' trip was undoubtedly inspired by mixed motives, including a clear commercial interest in expanding Mexico's contacts with the remarkably successful Central American Common Market (CACM). Of even greater importance, however, was his desire to develop a new 'Good Neighbor' policy consonant with Mexico's rapidly developing political and economic stature. No Latin American nation has made as much economic progress in the past 15 years as has Mexico. Its gross national product has grown by 90.75% during that period, as compared with 95.4% for the European Common Market, 57.6% for the U.S.A., 60.7% for Brazil and 9.1% for Argentina.

Because of Mexico's explosive population expansion, its growth in per capita gross national product has lagged behind that of the European Common Market, though keeping up with the U.S.A. Based on the 1950 level, the changes are as follows: European Common Market countries, 59.3%; U.S.A., 25.2%; Mexico 24.0%; Brazil, 20.6%; and Argentina, ~4.7%.

Mexico's prosperity has resulted in an aggressive interest in expanding its foreign commerce. Its trade with the countries of the Latin American Free Trade Association grew by 547% from 1960 to 1965; trade with the Central American Common Market grew 62% during this same period. And Mexican businessmen have been moving into the Central American countries with an aggressiveness formerly attributed only to the "Yanquis." Indeed the North American magazines Time and Newsweek chortled over the fact that in Central America Mexico is now being called the "Colossus of the North" and the "New Octopus," a mirth caused by decades of use of the same sobriquet by the Mexicans against the United States. Newsweek also pointed out the pertinent comparison that "Mexico stands in almost precisely the same relationship to the six small countries of Central America as the U.S.A. does to Mexico." Both in population and in size -- about 41,000,000 people to 14,000,000 and 762,000 square miles to 208,000 --- Mexico overshadows Central America.

(Cont.)

Although Mexico's trade with the CACM has grown rapidly -- 62% since 1960 -- it has been one-sided. Mexico has little interest in buying the coffee, bananas, sugar and cotton which are the CACM's chief exports. As a consequence, Mexico last year sold \$12 million of goods in Central America, but bought only \$500,000 worth there.

Thus it was partly to offset the Central American impression that this is economic exploitation, that Diaz Ordaz set out on his tour. The reception at his first stop, Guatemala, was perhaps best described as reserved, which was not surprising in view of the turbulent history of Mexican-Guatemalan relations. However, Diaz Ordaz' personal charm, warm personality and carefully worded public statements did much to dispel suspicions that his intentions were anything other than to lay the groundwork for closer and more friendly future relations between the two countries.

The popular reception accorded Mexico's president in subsequent stops left little to be desired. In El Salvador he was almost mobbed by a cheering crowd of some 100,000 Salvadorans. The exuberant people of the Honduran capital, Tegucigalpa, gave him an emotional and generous welcome, and the press played up the visit to the exclusion of practically everything else. Similar receptions in Managua, San Jose, and Panama City all attested to the success of the tour.

The cultural, economic, and technical assistance agreements which were concluded in the various capitals showed a definite pattern. Cultural agreements revolved largely around the development of the nations' common Mayan heritage: restoration of Mayan sites, creation of an Institute of Pre-Colombian studies, and establishment of libraries in Costa Rica and Mexico. Also covered were such matters as: reciprocal recognition of scholastic diplomas, course content, academic grades; development of tourism in the area; and exchanges of students, professors and professional people.

The economic and technical assistance agreements included a \$5 million credit granted to Honduras and a Mexican subscription to \$10 million worth of bonds in the Central American Common Market bank -- the first direct foreign loans ever granted by Mexico. Other agreements included: various provisions for improving the trade balance between Mexico and the various CACM countries; Mexican purchase of Panama's 1965 rice surplus; improvement of roads and telephone connections between Mexico and Guatemala; barter of Mexican grain for Costa Rican butter; offers to train CACM investment technicians etc. Mexico's concessions in the economic agreements were manifestly generous and several government ministers subsequently voiced their pleasure over the terms and over the absence of demands for reciprocal concessions.

The one sour note which emerged from the tour was the reaction of President Diaz Ordaz to persistent and pointed questioning by the press of Mexico's policy vis a vis Cuba. Apparently Mexico's president had underestimated the strength of the antagonism of the Central American countries toward Castro's Cuba. One point which constantly arose in press conferences was the fact that Central Americans obtain passports to travel to Mexico, but once there they are able secretly to fly to Cuba and return without their own government being the wiser. The frequency with which this question arose indicated a great awareness of the danger of subversion by such travelers who visit Cuba to obtain training, funds and instructions for the Communist subversion of the continent. Persistent questioning on this subject caused Diaz Ordaz to lose his temper several times, which resulted in numerous critical comments in local newspapers.

While it is not likely that this criticism will in itself change Mexico's policies toward Cuba, President Diaz Ordaz will have to take his neighbors' strong views more carefully into account in future issues involving Cuba.

However, this was a relatively minor aspect of the trip which should not be allowed to obscure the fundamental importance of Mexico's initiative. It is of great significance that Mexico has attained a stage of economic and political maturity which now permits it to begin to help its neighbors. It is even more significant that Mexico's help is to be directed toward the development of healthy social and trade relations in a spirit of cooperation and mutual advancement. Recognizing Central American fears of possible Mexican "expansionist" policies, Diaz Ordaz specifically promised no economic or political interference: "Mexico does not seek for other nations what it is not disposed to accept for itself."

The real danger is that the auspicious beginning of a new era in Central American economic and political relations which was inaugurated by Diaz Ordaz may founder for lack of follow-through. Essentially the burden is on Mexico to prove its constancy of purpose since it originated the various proposals tendered by the Mexican chief of state. Wisely, the offers of Mexican assistance did not exceed its realistic capabilities. All eyes, therefore, are on Mexico to see whether it will capitalize on -- or dissipate -- the goodwill generated by its president's trip.

988.

LAOS

Stepping Stone
for Chinese Communist Subversion in Southeast Asia

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SITUATION: Since 1949 the newly independent nation of Laos has been struggling to unify itself. Laotian domestic ills - economic under-development, corruption, poverty and governmental problems - have been additionally complicated by external military and political pressures from its neighbors -- Communist China and North Vietnam.

The most serious internal deterrent to stability in Laos -- and thereby to peace for its Southeast Asian neighbors, is the Pathet Lao, organized by Prince Souphanouvong and the Viet Minh in 1950. The Pathet Lao, as a creature of the Viet Minh, has been supported by Communist China and North Vietnam. It has been a front for foreign communist subversion and infiltration, has kept the country in turmoil and seriously jeopardized the independence of Laos. Royal Lao Government forces (with some foreign economic assistance) have almost continually been forced to battle Pathet Lao forces which have been bolstered not only by foreign communist military and economic assistance but by foreign communist troops.

Communist elements in Laos suffered a setback in 1958 when they formed a "popular front" for the purpose of taking over the Lao cabinet following the supplementary elections. This move had two results: it rallied non-communist groups loyal to the Royal Lao Government to win the election and a majority in the Lao Cabinet; however, the other result had sinister significance, for Hanoi and Peking -- ever concerned with communist expansion in Asia -- immediately began vicious radio campaigns demanding the dissolution of the newly constituted non-communist Royal Lao Government. It was at this juncture that Ho Chi Minh's military men began their incursions into northeastern Laos and began encouraging the Pathet Lao to intensify its guerrilla activity.

In view of the attacks from the neighboring North Vietnamese border and Pathet Lao violence, the Lao Government asked for help from the United Nations. The presence of the UN fact-finding commission helped for a while in dampening Pathet Lao/North Vietnamese activity.

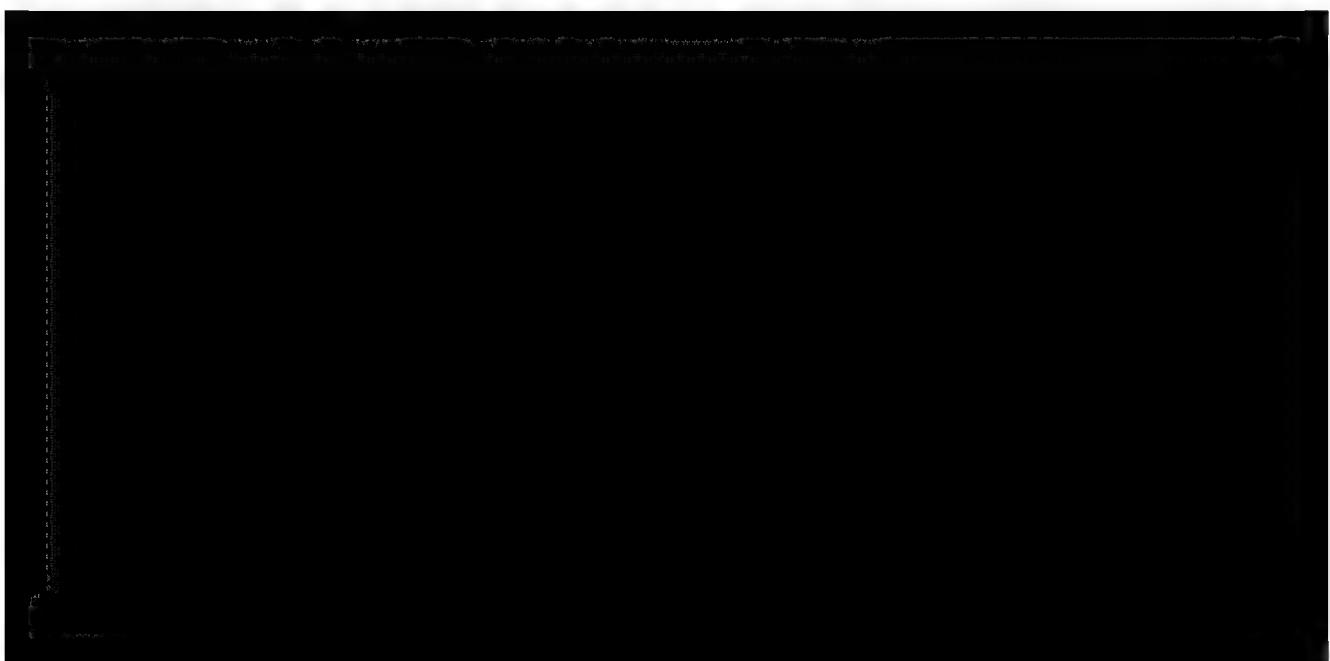
The 14-nation Geneva Conference of 1962 guaranteed the independence and neutrality of Laos but did not succeed in precluding Pathet Lao and North Vietnamese attempts to destroy that independence and neutrality. And the newly established coalition government of right, left and neutral elements was unable to function properly because of the intransigence of the Pathet Lao in refusing to cooperate with the other factions.

The hopes of the Geneva Conference of 1962 have not materialized. Today Laos is subject to Pathet Lao violence and subversion and aggression by North Vietnamese military forces. There would be little or no Pathet Lao insurgency in Laos without Chinese and North Vietnamese support and direction. The Pathet Lao has recently changed its name to the Peoples' Liberation Army -- the name for Communist China's army!

In mid-1965 there were perhaps 10,000 North Vietnamese troops in Laos not including the North Vietnamese units which travel through Laos to enter South Vietnam; there are also reports that some North Vietnamese agents have crossed Laos to infiltrate Thailand's northeast border. The Pathet Lao forces are supplied with Chinese, Soviet, and North Vietnamese weapons, ammunition and military-related equipment. There have been 31 North Vietnamese soldiers captured during military engagements in Laos.

The International Control Commission in Laos (with Indian and Canadian representation) has been compiling evidence that the Pathet Lao forces have violated the ceasefire and that North Vietnamese troops and equipment have entered Laos. Despite the world's preoccupation with the conflict in Vietnam it is obvious that the situation in Laos also signals a serious menace to peace among its neighbors as well as a growing menace to the independence and stability of Southeast Asia.

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989.

THAILAND:

Next Move in the Chinese Communist Blueprint
for World Conquest

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SITUATION: Communist China's plans for Southeast Asia in 1966 do not stop with Vietnam. In fact, precisely as blueprinted early in 1965 by Chinese Communist Foreign Minister Chen Yi, the nation of Thailand appears to be the next target on the Chinese Communist agenda for aggression.

It has been almost a year since Chen predicted the possibility of a guerrilla war in Thailand; it has been more than a year since the Chinese Communists presided over the setting up of a front organization in Peking avowedly dedicated to directing subversive activities in the northeast and southern reaches of Thailand. That organization, the Thailand Patriotic Front, was modeled after the NLFSV (National Front for the Liberation of South Vietnam), the Hanoi-manipulated group that runs the Viet Cong.

With the first anniversary of Chen's prediction about guerrilla war in Thailand, an assessment of how successful Mao's men have been in Thailand is in order -- for what is happening in Thailand reveals the pattern for Chinese Communist moves throughout Southeast Asia. China's overweening arrogance has just been illustrated again with the 13 January 1966 announcement that Peking is giving assistance to a new clandestine organization dedicated to the overthrow of the Government of Malaysia and the dismemberment of Malaysia by Chinese Communist tactics.

Intelligence reports received in 1965 clearly indicated that the communists have been preparing for a significant increase in terroristic activities in Thailand in the next few months. The two most troubled regions in Thailand in the past, and predictably the seats of increasing violence, are those where foreign communist influence is at work.

The first is in northeast Thailand where a somewhat isolated section of the population consists of approximately 40,000 Vietnamese who took refuge there as a result of French military operations starting in Laos in 1946. These Vietnamese are 90% pro-Hanoi and are controlled by communist cadres. It is highly possible that these cadres in the northeast receive guidance from the North Vietnamese Embassy in Laos.

The second serious trouble spot in Thailand is in southern Thailand in the northern portion of the Malay Peninsula. The southern group has a hard core of 500 Chinese Communist led by Chin Peng, who with his surrectionist group was driven from northern Malaya into Thailand by the combined British and Malayan forces in 1948. For the past 17 years, Chin and his men have lived and battled in classic guerrilla style (see unclassified attachment). They are supported, at least vocally, by Communist China, and it is believed possible that they actually receive instructions and remittances from Malaya and/or Communist China.

Thus it is that two communist groups, cooperating with the Thai communists, probably controlled and supported directly or indirectly by Communist China, are operating within Thailand's borders - in effect comprising a pair of Trojan Horses at the opposite reaches of the country where they provide staging areas for more elaborate incursions into the center of Thailand and two ever increasing areas of infection - both responsive to Chinese Communist direction in the subversion of a country in the very heart of Southeast Asia.

The Chinese Communist timetable for Thailand has obviously been speeded up. During the past year it has been reported that the Thai Communist Party has switched from defensive to offensive action and there is evidence that communist cadres have been organizing cells and recruiting supporters. There has also been a marked increase in the production and circulation of subversive literature. More dramatic manifestations of the timetable during the past year: 14 front groups aimed at insurgency in Thailand have been subsidized by the Chinese; local officials including teachers have been assassinated or have been the objects of assassination attempts; in the northeast, terrorist incidents have risen from a total of seven in 1964 to over 30 in 1965 with 21 occurring in the last half of the year. Police patrols have been fired upon in clashes with subversive bands, training camps and firing ranges have been discovered and underground arms caches have been unearthed in increasing numbers. The communists are reportedly planning to attempt to increase their terroristic activity in the next few months.

References

Chronology of Increasing Subversion and Violence in Thailand in 1965 and Chinese Communist Involvement [attached]

15 December 1965, New York Times article by Seymour Topping: "Asian Communists Step Up Infiltration in Thailand." [attached]

December 1965 American Universities Field Staff article by Dr. Willard Hanna: "Peninsular Thailand" [attached]

BPG #912, 7 June 1965: Chicom Choose Thailand as Next Target

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CPYRGHT

NEW YORK TIMES
15 December 1965

CPYRGHT

Asian Communists Step Up Infiltration in Thailand

By SEYMOUR TOPPING

Special to The New York Times

BANGKOK, Thailand, Dec.

12—Asian Communists have accelerated their infiltration of Thailand, apparently in a diversionary action to support their war effort in Vietnam.

Thai and United States official sources report a substantial increase in Communist guerrilla activity, both in the northeast provinces near Laos and in the south on the Malayan border. The police have seized training areas and Communist literature that indicate a concerted drive to recruit villagers for an insurgency movement.

In the northeast, which is exposed to the influence of the pro-Communist Pathet Lao and North Vietnamese units operating in Laos, the number of political assassinations of village officials and teachers has risen sharply in the last six months. Most of the murdered men were marked as police informers.

Base Camps Found

The terror tactics of jungle bands are similar to those employed by the Vietcong in South Vietnam in 1958.

In the south, where a hard core of 500 Chinese Communists driven out of Malaya has been operating for years, the police recently found base camps and firing ranges, which suggests

that three new battalions of guerrillas are being trained.

Peasants are recruited for a period of military schooling and political indoctrination and then are sent back to their villages to wait for orders.

For the first time, a link has been established between Communist activity in the northeast and that in the south. The same Communist literature has been found in abandoned camps in both regions, and the movement of liaison agents between guerrilla bands has been reported.

Harassing Action Seen

The Thai Patriotic Front, a movement supported by Peking, is trying to rally broad popular support, charging that the Government is corrupt and that it is selling the country to the United States. Its propaganda appeals are broadcast by Peking and the clandestine Free Thai Radio.

In the south, the Communists are recruiting Malayan Moslems by promising a greater Malaya that would embrace four southern provinces of Thailand.

United States officials in Bangkok believe that the Patriotic Front has gone over to militant action in advance of its original timetable. The guerrilla bands presumably would have preferred to have built a more firm base of popular support

before going over to offensive armed tactics.

It is believed that the organization was persuaded by Peking and Hanoi to move out boldly in a diversionary harassing action because of the broadening conflict in Vietnam.

A communiqué issued Nov. 1 by the Thailand Independence Movement, calling for action against the United States' presence in Thailand, asserted: "Support received from inside and outside the country helps increase our confidence that we will achieve a great victory."

Earlier this year, Peking warned Thailand against military cooperation with the United States. Foreign Minister Chen Yi predicted that a guer-

illa movement would soon be started against the Bangkok Government.

Thailand has not been deterred from her alliance with the United States. From airfields in Thailand, United States fighter bombers are striking at the so-called Ho Chi Minh trail in Laos, which is a corridor used by Hanoi to send reinforcements and supplies to the Vietcong.

Bangkok recently agreed to the construction of a large logistical complex that would allow United States divisions to land quickly in Thailand in the event of a war emergency. The complex would make United States forces capable of a major thrust into Laos to cut the Communist supply corridor.

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Fact Sheet

[REDACTED]

14 February 1966

Details of Communist Non-military Support
and Direction to Pathet Lao 1964-65

Communist interference and potential aggression in Laos has not been confined to supply of armed forces, arms and military direction to Pathet Lao forces:

1. Laotian civilians have been impressed into road gangs repairing roads along the Vietnamese border.
2. During the rainy season in mid-1965 Communist soldiers and civilians built new roads leading from North Vietnam into South Vietnam.
3. Laotian civilians have been forced to haul supplies for Communist troops.
4. Laotian farmers have had part or all of their rice harvests stolen or commandeered by North Vietnamese and Pathet Lao troops.
5. Hanoi has sent political cadres and propagandists into Laos to encourage continued rebellion against the Royal Government of Laos.
6. Using Laotian trails and roads, Hanoi military personnel have infiltrated into South Vietnam at a rate of about 4,500 per month.

Fact Sheet

14 February 1966

Compilation of Communist Breaches
of the Geneva Accords on Laos

In the 1962 Accords (the US was NOT a signatory to the 1954 accords) it was agreed that all foreign military personnel and equipment not specifically needed for defense or requested by the Lao Government should be withdrawn from Laos.

Western military advisors and technicians completed their orderly withdrawal from Laos in advance of the conference-established deadline. HOWEVER,

1. less than 50 of several thousand North Vietnamese left Laos through the official checkpoint;
2. some North Vietnamese fighting units were reportedly dispersed to different locations in Laos and not back to Vietnam;
3. an estimated 6 - 7,000 North Vietnamese soldiers were still in Pathet Lao-controlled areas three years later;
4. supported by Communist China and North Vietnam, the Pathet Lao broke the cease-fire agreement in March 1963 and attacked government defense forces in the Plaine des Jarres in north central Laos;
5. The International Control Commission (set up under the 1962 Accords and composed of a Pole, a Canadian and an Indian representative) documented charges in 1965 that Hanoi had violated the Geneva Accords by sending military personnel and equipment into Laos to join with their Pathet Lao comrades in aggression against the nation's legally constituted government;
6. at least 24,000 North Vietnamese regulars were estimated to be in Laos in mid-1965;
7. captured North Vietnamese soldiers have admitted entering Laos between February and September 1964 in units varying in size from 50 - 650 men each; the captured soldiers also admitted carrying Communist-made weapons and ammunition and of fighting on Laotian Government defense forces;
8. a cave, located northeast of the Plaine des Jarres, was captured by Laotian Government Forces on 24 October 1965. The cave contained 10 tons of ammunition, a number of Soviet-made machine guns, a radio made in Communist China and 50 North Vietnamese army uniforms.

November 1965

Diary of North Vietnam Soldier Is a Story of Suffering in Laos

By Richard Halloran
Washington Post Staff Writer

Nguyen Khanh was a Soldier Class II in the 168th Mortar Regiment of the North Vietnamese army until he was captured in a battle near Paksane, Laos, in September, 1964.

His diary is part of the record compiled by the International Control Commission to document the presence of North Vietnamese troops in Laos in violation of the 1962 Geneva agreements. The report was made available by the Canadian Embassy here yesterday.

Nguyen Khanh's notebook, simply written, tells what it is like to be a 19-year-old farm kid away from home and fighting a war he does not understand.

Nguyen comes from Phu Tho Province, up the Red River from Hanoi, where he lived with his father and younger sister. His mother is dead and three other sisters are married.

Nguyen, who has a seventh grade education, was conscripted on Feb. 29, 1964. But he was only partly trained before he and 100 soldiers were sent to Laos. He told an ICC interrogator that he had not been given an army serial number because "I was ordered to move out quickly without completion of training and allotment of army number."

The army sent Nguyen and the others to the Lao-tian border in Russian-built trucks early in July, 1964. There, they changed into Pathet Lao uniforms and climbed into Pathet Lao trucks for the bumpy ride to Khang Khay, a Pathet Lao stronghold.

In Khang Khay, the 100 men were split into three

groups and sent as units to join Pathet Lao units in battle. Nguyen's group moved toward the village of Phou Song Noi.

Excerpts from his notebook, as he wrote it, tell his story:

July 7—Spent the night in forest. Collection of arms at 11 o'clock as well as grenades and ammunition. Raining heavily—very difficult to prepare rice—eating uncooked rice. Continuous rain day and night—highly flooded road—everywhere there is water—traffic difficult. Plane . . .

July 11—Departure in the morning, through bombed place—difficult—toilsome—tired . . .

July 12—Arrived at the river. Rest. Took bath—washing of clothing. Eating rice with hand—unboiled water and dry fish are the main food of the fighting man in Laos.

July 13—Twenty days have passed without having a little vegetable or soup, always eating tinned food and dry fish.

July 16—Evening surprise attack—pushing back the enemy, friend without loss—sad—enjoying alone.

July 18—Return to defensive position. Very tired—pain in leg—impossible to eat—thinking of family.

July 25—Arrival in village. Rest, cooking rice. Completely tired—the Lao-tian girl is having consideration for Vietnamese troops—they are sentimental.

By the first week in August, Nguyen had moved to a new position. He wrote:

Aug. 9—In camp, on defensive peak B, sitting the whole day—sad while thinking of the native village, of

the family. Heart trouble. Above sky cloudy.

That was the last entry. Nguyen Khanh was captured by Royal Lao Forces about 11 o'clock that night.

In the back of his notebook were a few military training notes and a poem:

"At last, young girl, be away from me, I am still young — girls are not lacking in the world. I am a fighter, I have a strong heart."

Aug. 15—Ambush the whole day, raining continuously—cold—everything is damp—mosquitoes are biting, very unhappy—surroundings covered by cloud waves resembling the ice of the North Pole. Heart very much disturbed because thinking too much of the nice native village.

Late in August, Nguyen moved again and in early September the battle in which he was captured began to take shape. He wrote:

Sept. 9—The whole day it rained, fighters arrive, many planes. Enemy has intention to launch attack on us. Whole day digging trenches, hunger, tired, thirst. Had to swallow salt to forget hunger, thirst. Bay (another soldier) has got some rice, a small ball, rice cooked for a long time, stinking like cat's excrement.

Sept. 2—Very much hungry, legs and hands shaky. Enemy attacks in four directions, no way to withdraw. Our troops subjected to continuous hunger without possibility of sleeping, sick, body shaking. Where is my fate before this danger, what will be my destiny.

Sept. 14—Today 16th day of the fight on Moung Soui front. We have already suffered from hunger for five days. Nobody can get up, move. The whole day, we had to eat and guzzle enemy artillery shells. Encircling from all directions. Mosquitoes bite and drink blood.

Sept. 15—Enemy encircling continues. Friend fell back but our plan of withdrawal discovered by enemy. Enemy pursues us at time of withdrawal.